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OnTheMarket plc



# Property Sentiment Index

SEPTEMBER 2021  
(reporting on August 2021 data)

## Lack of stock is perpetuating a lack of stock in the best market in which to sell for two decades

- 73% of active buyers in the UK were confident that they would purchase a property within the next 3 months
- 79% of sellers in the UK were confident that they would sell their property within the next 3 months
- 54% of properties were Sold Subject to Contract (SSTC) within 30 days of first being advertised for sale, compared with 48% in August 2020
- Sellers concerned about finding their next property as lack of stock grows, acting as a 'brake factor' on market
- However, market dynamics suggest that it remains the best time to sell property in the UK in the last two decades
- Asking prices stabilise following a sustained period of exceptional growth

Given the usual seasonal lull that we would anticipate in August due to school and summer holidays, it would appear that overall, buyer and seller activity remained steady across the course of the month, although we're beginning to see an interesting dynamic emerging.

Buyer confidence remains relatively stable across all of the UK, but according to our survey responses, seller confidence seems to have cooled slightly in a couple of the regions. We'd suggest this is a consequence of sellers being aware that their home will sell quickly, given the current market conditions and buyer demand. However, they are encountering challenges in finding a suitable property to purchase, due to the well documented lack of stock, which in turn is causing them to hesitate putting their own property on the market. In other words, a lack of stock is perpetuating a lack of stock in the best market in which to sell a property in over two decades.

Many of our agents continued to report properties attracting multiple competitive bids over the course of August, albeit with many overseas ringtones involved in tying up deals at the moment as movers took the opportunity to get away for a couple

of weeks overseas in the sun where they could. That aside, stock is still going under offer in near-record time in most areas of the country, so on holiday or not, motivated movers were still highly active and driven to get the deal done. One would suggest that the start of a new school term in September may be yet another factor, on top of the low cost of borrowing and 'Pandemic move mindset', that's driven many moves over the last month.

With buyer demand further fuelled by ongoing access to record low mortgage rates, anyone considering selling would be best advised to take action now, as these conditions certainly aren't the 'new normal' and, as with any market cycle, activity will plateau at some point in the next few months. The one thing that would-be sellers do need to be mindful of, however, is that mortgage down valuations are on the increase as competitive buyers outbid each other to secure their dream home.

There's one thing agreeing to an offer above your asking price, but if that property is being purchased with a mortgage, then sellers need to be aware that ultimately, it's the valuer on behalf of the mortgage lender who will dictate the price achieved.

# Seller Sentiment - how confident were sellers in August 2021?

## August 2021 Headlines

From our sample of sellers surveyed, UK average rates of confidence over the last month were as follows:

- 79% of sellers were confident that they would sell their home within the next 3 months, a slight decrease from July 2021 (84%)
- 15% of sellers were confident that they would sell their property within the next 6 months, a slight increase from July 2021 (11%)
- 2% of sellers were confident that they would sell their home within the next 9 months, unchanged when compared to July 2021 (2%)
- 4% of sellers were confident that they would sell their home within the next 12 months, a slight increase when compared to July 2021 (3%)

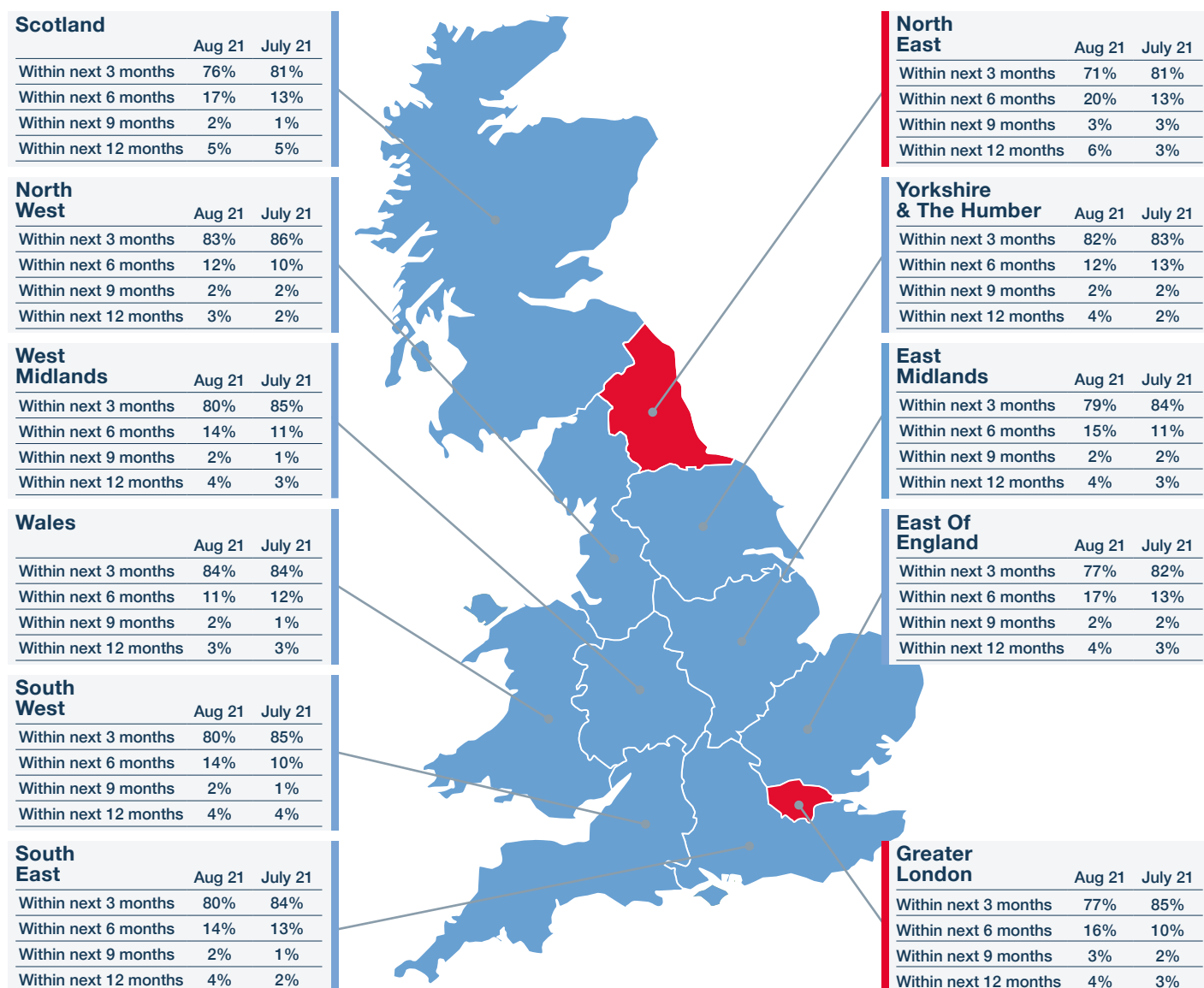
The OnTheMarket Property Sentiment Survey asks sellers across the UK how confident they feel about selling their home in order to provide a 'temperature check' of market sentiment both on a national and regional basis.

Sellers are asked to indicate how confident they are that they will sell their home:

- Within the next 3 months
- Within the next 6 months
- Within the next 9 months
- Within the next 12 months

■ >5% increase on previous month   ■ <5% increase and <5% decrease on previous month   ■ >5% decrease on previous month

(based on Seller confidence within next 3 months)



# Buyer Sentiment - how confident were buyers in August 2021?

## August 2021 Headlines

From our sample of buyers surveyed, UK average rates of confidence over the last month were as follows:

- 73% of buyers were confident that they would purchase a property within the next 3 months, a slight decrease when compared with July 2021 (75%)
- 18% of buyers were confident that they would purchase a property within the next 6 months, relatively unchanged from July 2021 (17%)
- 3% of buyers were confident that they would purchase a property within the next 9 months, unchanged from July 2021 (3%)
- 6% of buyers were confident that they would purchase a property within the next 12 months, a slight increase when compared to July 2021 (5%)

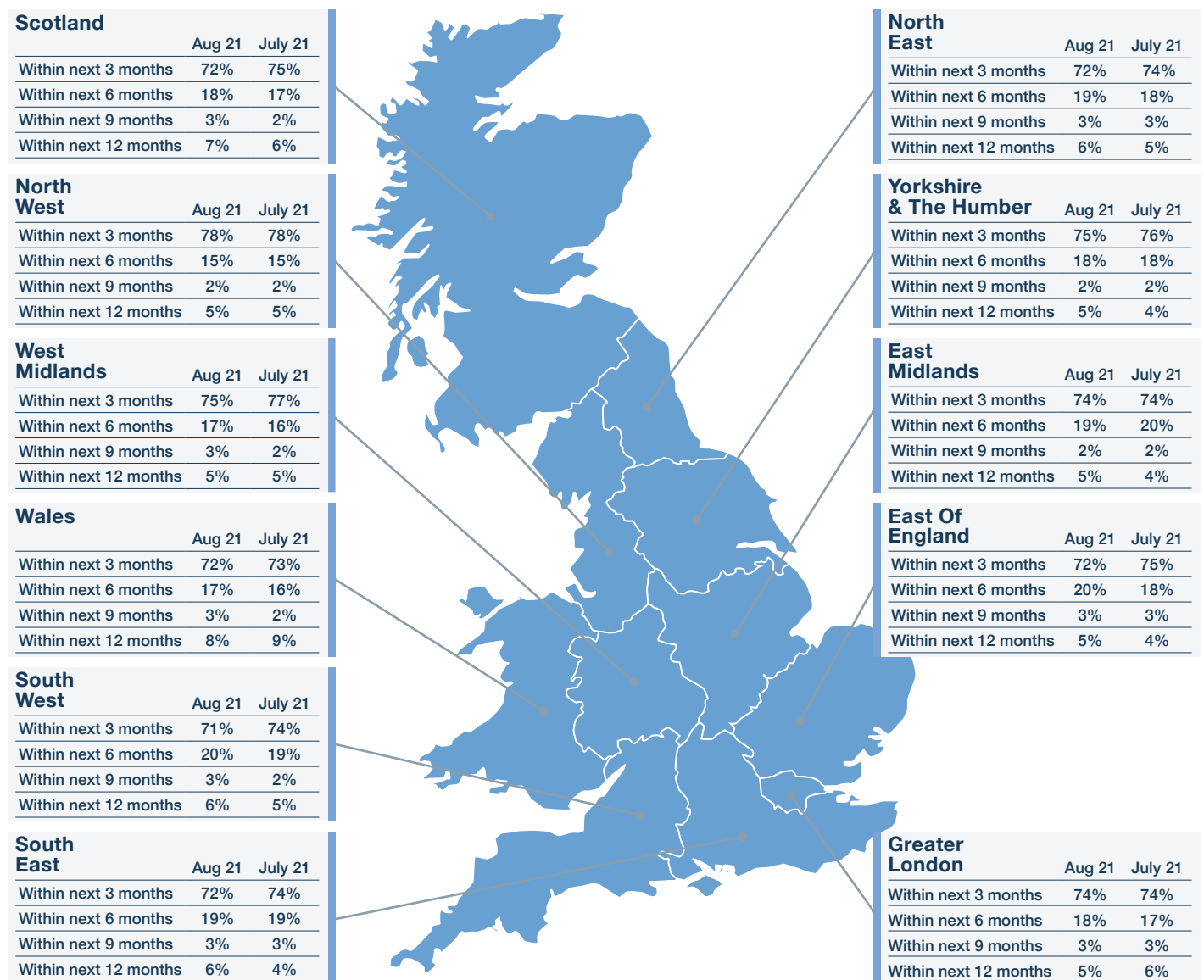
The OnTheMarket Property Sentiment Survey asks buyers across the UK how confident they feel about purchasing their next property in order to provide a 'temperature check' of market sentiment both on a national and regional basis.

Buyers are asked to indicate how confident they are that they will purchase their next property:

- Within the next 3 months
- Within the next 6 months
- Within the next 9 months
- Within the next 12 months

■ >5% increase on previous month   ■ <5% increase and <5% decrease on previous month   ■ >5% decrease on previous month

(based on Buyer confidence within next 3 months)



# Mover attitudes towards mortgage availability







## August 2021 headlines:

- As a UK average, in August 2021 only 4% of movers were concerned (either very worried or slightly concerned) about securing a mortgage to fund the purchase of their next property, which was unchanged when compared to July 2021 (4%).
- Greater London had the highest number of buyers who already had their mortgage Agreement in Principle in place prior to starting their search for a property (41%). The South West region had the lowest number of prospective purchasers with a mortgage Agreement in Principle in place (26%).
- As a UK average, 26% of movers hadn't considered applying for a mortgage before starting their property search, with buyers in Greater London the least likely to have considered applying for a mortgage before starting their search for a property (35%).
- As a UK average, 36% of buyers surveyed said that they didn't need a mortgage in order to purchase a property. Greater London had the lowest number of respondents who indicated that they wouldn't require a mortgage to purchase a property (16%). The South West had the highest number of respondents who indicated that they didn't need a mortgage to buy their next home (49%).

The OnTheMarket Property Sentiment Index provides insights in terms of how confident movers across the UK feel about securing a mortgage in order to fund the purchase of their next property. Since increased affordability assessments were introduced by lenders in 2014 as part of the Mortgage Market Review, the ability to both successfully secure a mortgage and borrow enough to fund a property purchase are key factors which can have a significant impact on home mover sentiment.

Respondents to the OnTheMarket survey are asked to indicate how they feel about raising the necessary funds to purchase their next property by choosing from the following options:

- I'm very worried
- I'm slightly concerned
- I'm sure it will be fine
- I have a mortgage Agreement in Principle already
- I don't need a mortgage to buy a property
- I've not thought about it

	 I'm very worried		 I'm slightly concerned		 I'm sure it will be fine		 I've already got a mortgage AIP		 I don't need a mortgage		 I've not thought about it yet	
	Aug 21	July 21	Aug 21	July 21	Aug 21	July 21	Aug 21	July 21	Aug 21	July 21	Aug 21	July 21
UK average	1%	1%	3%	3%	2%	2%	32%	32%	36%	35%	26%	27%
Greater London	1%	2%	4%	4%	3%	2%	41%	38%	16%	17%	35%	37%
South East	1%	1%	3%	3%	2%	2%	32%	33%	36%	33%	26%	28%
South West	1%	1%	2%	2%	2%	1%	26%	26%	49%	48%	20%	22%
East of England	1%	1%	3%	3%	2%	2%	32%	33%	36%	32%	26%	29%
West Midlands	1%	1%	3%	3%	2%	2%	37%	37%	29%	29%	28%	28%
East Midlands	2%	2%	3%	4%	3%	3%	30%	31%	35%	32%	27%	28%
Yorkshire & The Humber	1%	1%	3%	3%	2%	2%	34%	34%	35%	33%	25%	27%
North East	1%	1%	3%	3%	3%	3%	32%	30%	34%	35%	27%	28%
North West	1%	1%	2%	3%	2%	2%	37%	38%	32%	31%	26%	25%
Wales	1%	1%	2%	2%	2%	2%	27%	29%	45%	42%	23%	24%
Scotland	1%	0%	2%	2%	2%	2%	27%	30%	45%	43%	23%	23%

# Average asking prices and most popular property types in August 2021

## Most popular property types - August 2021 Headlines

By analysing data compiled from thousands of estate agents' listings across the UK, we can track the most sought after property types, based on properties which have been Sold Subject To Contract (SSTC) each month. We base this data on the four main property types, as defined by HM Land Registry:



Detached



Semi-Detached



Terraced



Flat

### UK Average (excl. Greater London)

In August 2021, the most popular properties as a UK average were three bedroom semi-detached houses, unchanged when compared to July 2021 and August 2020.

### Greater London

In August 2021 in Greater London the most popular properties were two bedroom apartments, unchanged when compared to July 2021 and August 2020.

## Asking prices - August 2021 Headlines

### UK Average (excl. Greater London)

Type	August 21	July 21	August 20
Detached	£584,737	£576,175	£522,972
Semi-Detached	£336,320	£338,420	£316,480
Terraced	£251,470	£253,102	£247,800
Flat	£233,689	£233,027	£221,764
<b>Average</b>	<b>£373,337</b>	<b>£370,681</b>	<b>£357,804</b>

### Greater London

Type	August 21	July 21	August 20
Detached	£1,941,810	£1,990,075	£1,764,053
Semi-Detached	£1,251,839	£1,274,496	£1,136,749
Terraced	£1,239,307	£1,272,060	£1,062,003
Flat	£845,487	£826,052	£797,105
<b>Average</b>	<b>£981,066</b>	<b>£979,509</b>	<b>£934,289</b>

# Time to Sold Subject to Contract (SSTC) in August 2021

From analysis of OnTheMarket.com's data compiled from estate agents' listings across the UK, we're able to track where properties are Sold Subject to Contract (SSTC) the quickest and where they take the longest.

- In August 2021, as a UK average 54% of properties were SSTC within 30 days of first being listed for sale, slightly reduced when compared to July 2021 (56%) and increased when compared with August 2020 (48%)
- In August 2021, Scotland was the fastest selling region, with 71% of homes SSTC within 30 days of first being listed for sale. Greater London had the lowest number of properties which were SSTC within 30 days (40%)
- In August 2021, the region with the most number of properties which had taken 120 days or more to SSTC was Greater London (17%) compared to Scotland which had the lowest number of properties that had taken 120 days or more to move to SSTC status (6%)

## August 2021 Headlines

Region	% of homes first listed and SSTC within 30 days			% available homes first listed for sale over 30 days ago but were SSTC within 60 days			% available homes first listed for sale over 30 days ago but were SSTC within 90 days			% available homes first listed for sale over 30 days ago but were SSTC within 120 days			% available homes first listed for sale over 30 days ago but were SSTC within 150 days		
	Aug 21	July 21	Aug 20	Aug 21	July 21	Aug 20	Aug 21	July 21	Aug 20	Aug 21	July 21	Aug 20	Aug 21	July 21	Aug 20
UK average	54%	56%	48%	17%	16%	19%	10%	10%	9%	7%	6%	2%	12%	12%	22%
Greater London	40%	43%	49%	20%	19%	21%	14%	13%	10%	9%	9%	2%	17%	16%	18%
South East	51%	53%	45%	17%	16%	20%	11%	11%	11%	8%	7%	2%	13%	13%	22%
South West	57%	59%	46%	16%	15%	20%	10%	9%	10%	6%	6%	2%	11%	11%	22%
East of England	57%	58%	48%	17%	16%	20%	10%	10%	10%	6%	6%	2%	10%	10%	20%
West Midlands	56%	55%	50%	16%	18%	18%	10%	9%	10%	6%	6%	2%	12%	12%	20%
East Midlands	57%	60%	47%	17%	16%	19%	10%	9%	10%	6%	6%	2%	10%	9%	22%
Yorkshire & The Humber	58%	59%	50%	15%	16%	18%	10%	8%	8%	6%	6%	2%	11%	11%	22%
North East	56%	54%	45%	15%	18%	17%	9%	10%	9%	7%	6%	2%	13%	12%	27%
North West	56%	56%	48%	17%	18%	18%	10%	9%	9%	6%	6%	2%	11%	11%	23%
Wales	56%	56%	45%	16%	16%	16%	10%	9%	5%	6%	5%	2%	12%	14%	32%
Scotland	71%	73%	72%	13%	12%	11%	6%	6%	1%	4%	3%	0%	6%	6%	16%

# Regional market commentary from OnTheMarket's agents

## Lee O'Neill, Head of Sales for Canary Wharf, Wapping and Aldgate Knight Frank - London

*'The news that American banks told their staff, 'you are coming back to the office from the autumn', definitely stimulated demand'*

Although we saw a slight seasonal pause in August, the news that American banks told their staff, 'you are coming back to the office from the autumn', definitely stimulated demand. Valuation numbers increased significantly over the course of the month when compared to July, mostly as a consequence of end of tenancies and landlords wanting to understand if they should 'stick or twist'.

In the heart of the city, for example Aldgate, a lot of new build developments are still a very attractive option for overseas buyers and investors, particularly parents who are purchasing a property for offspring who are studying in London for the next few years or who have qualified in their professions and are now taking their first steps on the property ladder. Although our Middle Eastern and Asian clients have been largely absent over the course of the last year, they are now coming back to the market and we received numerous enquiries from this particular cohort last month.

Wapping is a slightly different market, given its location as equidistant to both the Square Mile and Canary Wharf. With its village-y character, it's very peaceful considering it's so central. Here, the Pied à Terre market has done very well over the last month, typically with older homeowners selling to those who are seeking a second pad in the city in order to facilitate moving the main family home out to the country. Prices are rallying as a consequence, particularly at the top end.

Over at Canary Wharf we've observed that a lot of Buy To Let landlords are currently reconsidering their portfolios meaning a lot of stock is being released for sale, which is really helping first time buyers and second steppers. We believe that activity in this area will pick up further still once people are using their passports again, and we're already seeing green shoots over the course of the last month which indicate this will indeed be the case, as overseas workers come back to HQ's on the Wharf as offices reopen.

Generally speaking, in conversations with buyers and sellers over the past few weeks, we'd suggest that optimism amongst those seeking to purchase has remained stable over the summer, yet vendors seem to be slightly reticent to list if they are an owner-occupier. It isn't that they aren't confident that they will sell, quite the opposite in fact, they are actually concerned that they will sell too quickly and then struggle to find somewhere suitable to purchase. We'd suggest that this 'chicken and egg' scenario is holding back the market slightly, particularly in the family homes market of £2m and over, where there simply aren't enough quality properties to satisfy demand.

# Regional market commentary from OnTheMarket's agents

## Sean Gibson, Head of Residential Canford Cliffs Savills - South West

*'Vendors know the market is hot at the moment and fully expect that we'll produce an offer – or in many cases, multiple bids – within a week or two'*

Although August was noticeably quieter than the previous two months, it was still busier than any previous August I've known. A lot of discretionary sellers left their keys with us before jetting off on holiday, giving us free run of the property while they're away with the words 'see what you can do'. Vendors know the market is hot at the moment and fully expect that we'll produce an offer – or in many cases, multiple bids – within a week or two.

We're literally flooded with buyer enquiries, to the point where some will ring us as soon as the office opens every morning to see if we've taken on any new properties in the last twenty-four hours.

Sandbanks has always been the jewel in the crown, but now the neighbouring areas of Canford Cliffs, Branksome Park, Lilliput and Lower Parkstone have all really come into their own, particularly with out-of-area buyers. It's easy to understand why; very few places in the UK offer the same urban buzz and convenience, overlaid with the lifestyle of award-winning beaches within comfortable walking distance, together with easy access to the Jurassic coast and New Forest, yet within two hours of London.

An interesting trend over the summer is that buyers have phoned us from London or Surrey, who aren't quite ready to relocate to the South Coast permanently yet who want to secure a property now before prices escalate much further. As a result, they're buying property as a long term let, in order to facilitate their move in a few years' time. The properties they're targeting generally sell very quickly 'off market' and with competitive bids and are then immediately available to let - a recent phenomenon but one that was highly prevalent over the past month.

Until recently, this particular stretch of the Dorset coastline was mostly a local market, other than the few stars who've notably made their homes here over the years. However, now the area is seen as the haunt of celebrities and the well-heeled, directly as a result of the pandemic. You only have to look around at the increased number of supercars with foreign number plates that are parked outside the cafés, restaurants and bars to see that 'ultra-priming' of this market is in full swing.

The main challenge we have is with available stock, as discretionary sellers who feel now is the right time to realise the optimum price for their property are struggling to find anything else locally that they want to purchase. Other parts of Dorset have slowed down over the summer, which means that a move out of Sandbanks to other desirable towns such as Wimborne Minster or the private enclave of Avon Castle just outside Ringwood isn't easy as before, due to the fact that there is little there to purchase either. As a result, we're having to think 'outside of the box' somewhat to piece deals together.



# Regional market commentary from OnTheMarket's agents

## James Gunther, Partner Fenn Wright - East of England

*'The unique factor about East Anglia is that there really is something to suit all tastes and pockets'*

Although it's summer holiday season, movers in Essex and Suffolk don't seem to have been taking it easy over the last month at all, with new buyer enquiries literally coming in every day over the course of August.

Although Essex has long been a popular county for those relocating from London, Suffolk has never elicited this much attention previously and is now receiving real recognition for its value, a factor that we would wholly attribute to the impact of the pandemic. Buyers moving out from the capital find that their budgets go a lot further, regardless of price point. The unique factor about East Anglia is that there really is something to suit all tastes and pockets.

The bustling and vibrant towns of Colchester and Chelmsford, where there are numerous highly rated state and private schools together with under 60-minute commuting times into Liverpool Street, appeal to working families moving 'further out' to secure more internal and external space. At the upper end of the market, the hugely desirable 'stockbroker' villages such as West Bergholt, Dedham and Great Horkelesley also offer easy links into London for those seeking aspirational properties in the £1m plus bracket, proving highly competitive when compared with what would be available for a similar budget in Surrey. Further afield, the rolling hills and downs of Suffolk have seen unmatched demand recently due to their popularity with downsizers searching for that 'chocolate box' cottage or a character barn conversion. In the picturesque riverside town of Woodbridge, or the market town of Sudbury, we've literally never seen this many out of area buyers previously.

Another factor that we'd suggest has played a part in the recent ascendancy of Essex and Suffolk is that in many areas, the coastline is only a 30-minute drive away, meaning that the popular beaches of Mersea Island, Clacton-on-Sea and Frinton-on-Sea add a desirable lifestyle factor. It's the difference between being able to 'take the kids to the beach for the evening' and having to make a whole day trip just to see the sea.

As a result, our current main challenge is hesitancy on the behalf of sellers; they know that, providing the price is right their property will sell quickly, as buyer demand is well- documented. However, they are worrying about finding their next property, due to the lack of choice currently. We've seen this trend emerge over the course of the year but it was still highly prevalent in August, and a pattern that we don't believe will change soon.

# Notes for Editors

## Methodology

Sentiment data (Buyer sentiment, Seller sentiment and Mover attitudes towards mortgage availability) are collected via questions on the OnTheMarket website monthly. With over 120,000 total consumer responses on average per month, it is believed by OnTheMarket to be the largest monthly consumer sentiment index to date in terms of buying and selling residential property in the UK.

Data on time to Sold Subject to Contract (SSTC), Average Asking Prices and Most Popular Property Types is drawn from OnTheMarket's data compiled from thousands of estate agent branches and housebuilders who list their properties with the portal every month.

Regions referred to are as classified by the Nomenclature of Territorial Units for Statistics (NUTS) geocode standard.

## Breakdown of regions

**Greater London:** All

**South East:** Buckinghamshire, Oxfordshire, Berkshire, Surrey, Hampshire, Kent, West and East Sussex, Isle of White

**South West:** Gloucestershire, Wiltshire, Somerset, Devon, Dorset, Cornwall, Bristol

**East of England:** Norfolk, Suffolk, Cambridgeshire, Essex, Hertfordshire, Bedfordshire

**West Midlands:** Shropshire, Staffordshire, West Midlands, Warwickshire, Herefordshire, Worcestershire

**East Midlands:** Derbyshire, Nottinghamshire, Lincolnshire, Leicestershire, Northamptonshire, Rutland

**Yorkshire and The Humber:** North, South and West Yorkshire, East Riding

**North East:** Northumberland, Tyne & Wear, County Durham

**North West:** Lancashire, Greater Manchester, Merseyside, Cumbria, Cheshire

**Wales:** All

**Scotland:** All

## About OnTheMarket.com

OnTheMarket.com is a leading UK residential property website, providing consumers with a simple way to search for their perfect home. The website and its apps list hundreds of thousands of homes for sale and to rent, and aim to provide all potential buyers, sellers, landlords and tenants with an exceptional property search service. This includes the opportunity to set-up personalised property alerts to help find a new home quickly and easily.

OnTheMarket.com displays thousands of UK residential properties exclusively to serious home movers every month – 24 hours or more before agents release these properties to other portals – and these are predominantly featured as 'New & Exclusive'. With thousands of estate and letting agents advertising their properties on the website, together with many of the UK's major house builders offering consumers a wide selection of new build homes, OnTheMarket.com provides a choice of properties at all price points. It also offers Overseas and Commercial search services.

OnTheMarket.com is owned by OnTheMarket plc, which was admitted to the Alternative Investment Market (AIM) in February 2018.

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